



The Americas Update

May 2003

Export News

Dominican Republic- The Dominican Republic is one of the largest export markets for U.S. textile products in Central America and the Caribbean Region. The vast majority is by Free Trade Zone Industries-FTZI.

The major Dominican full-packagers FTZI's and garment manufacturers are contractors for some of the most successful apparel companies in the world. They produce brand-name items in fashion wear, lingerie, sports wear and casual wear. The apparel industry has tremendous potential for expansion due to the combination of inexpensive and experienced labor, a solid managerial base, and quota access to the US. Some of these companies are Fruit of the Loom, Sara Lee Knit Products, Victoria's Secret, Oshkosh B'Gosh, Eddie Bauer, Maidenform, Kasper, Hanes, Gap, Jones of New York, Liz Claiborne, Wrangler, and Levi's among other prestigious retailers.

Growth in the textile sector is primarily attributable to the Caribbean Basin Trade Partnership Act (CBPTA), as more and more garments are assembled in the Dominican Republic for the U.S. market. Garment manufacturing has been one of the Dominican Republic's traditional activities since the Free Trade Zone Industry Parks initiated operations in 1969 as a private initiative and in 1973 with Government administration. The quality of production has improved notably and today the Dominican Republic enjoys a worldwide reputation for the quality of its textile products and punctuality in filling commercial orders.

The textile industry in the Dominican Republic is predicted to increase U.S. textile shipments by \$8.4 billion and increase U.S. textile and textile-related employment by 121,400 in the next five years as a result of the CBPTA. Recent studies done by the American Textile Manufacturers Institute (ATMI) show a positive impact on U.S. textile production and jobs.

CBTPA is expected to bring significant benefits to the Dominican Republic as well. The Dominican National Free Trade Zone Council (Consejo Nacional de Zonas Francas de

Exportacion) anticipates textile exports to the U.S. will grow by 20% to reach \$4.5 billion over the next three years. The effect on employment could follow, with as many as 35,000 new jobs per year being added to the 150,000 now working in the free trade zone textile sector. These jobs pay better and provide more benefits than most other jobs requiring comparable skills. The indirect impact of these new jobs will reverberate throughout the economy, helping to spread the benefits of CBTPA to a greater number of Dominicans.

Textile fabric importers, other than the Free Trade Zone Industries, represented 20% of Dominican Republic's total imports in 2001 and 23% in 2002. Growth of the Dominican apparel industry brings additional opportunities for U.S. textile fabric mills and U.S. yarn manufacturers for supplying the Free Trade Zone Industries and domestic manufacturers. (ISA 5/03)

Mexico- Federal Government and the Mexican Chamber Industry of Construction (CMIC) estimates are that the housing building materials market will grow at a rate of 4.5 percent during the next three years (including current 2003). The new administration that took office in December of 2000 has indicated the desire to build over 1,000,000 new homes per year from 2001 to 2006.

Major construction companies working with housing agencies will push up demand for building materials compared with the last five years. There are ambitious targets for new homes at the three different social levels of this market. The segments of the market that will demand the most building materials are the lower income and middle income levels. They are expected to grow at an average of 20 percent and 14 percent respectively during the next three years. There are no major barriers to the importation of housing building materials if they comply with the Certificate of Origin to receive the benefits of NAFTA. (ISA 5/03)

International Marketing Insights (IMI) are short profiles of specific market conditions or opportunities prepared in overseas markets and multi-development banks. For complete reports, contact the nearest Commercial Service office.

Trade Events

Electrical Power Systems

A catalog show is proposed for **Bogota, Colombia** since the electric power sector is expected to regain some dynamism in the near future. Despite social unrest and economic difficulties experienced by the country in recent years, little increase in electric power demand, no new electric power generation projects initiated during 2000 and 2001, a steady demand exists for electrical equipment and supplies. The industry has concentrated on completing the few projects already underway.

This trade event will be a product literature center held at the Bogota hotel on **August 13-14, 2003**. The cost of this event is US\$200.

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Telemedicine Virtual Trade Mission

The **Columbian** government program known as the Connectivity Agenda is establishing telecommunications infrastructure in remote rural areas and small towns. This infrastructure is expected to be in full operation by 2003, facilitating telemedicine services to be provided to these areas where inexpensive and fast healthcare services are in high demand. U.S. participants should be companies that provide telemedicine services.

This event's goal is to establish business relationships between U.S. telemedicine consultants/service providers and Colombian end-users, such as local HMOs and major hospitals. The event will be organized by videoconference at a cost of US\$400 and takes place on **August 23, 2003**.

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Expo Pesca 2003

Expo Pesca 2003 is an international trade show of equipment, supplies, and services for the fishing and fish farming industries. Fishing is the second-largest industry in Peru, representing more than 5% of the GDP and over 10% of total exports. The U.S. Commercial Service in Lima will have a booth at the show and will host a catalog exhibition for U.S. firms unable to exhibit directly.

This event will be held from **November 20-22, 2003** in **Lima, Peru**.

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Cosmoprof Cosmetica '03

This is the largest Cosmetics trade show in Latin America and the second largest in the world. The U.S. Department of Commerce has had a U.S. Pavilion at this show every year since 1995. It was the first foreign pavilion at the show, but now there are numerous others as well, indicating the international impact.

The cost of the event is \$4560.00 for a 12 square meter exhibit booth. Other booths are available at US\$380 per square meter.

This trade fair will be held at the Anhembi Exhibition Hall in **Sao Paulo, Brazil** from **September 12-15, 2003**.

For more information, please contact:

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Useful Websites

- The World Economic Forum is an independent international organization committed to improving the state of the world. The Forum provides a collaborative framework for the world's leaders to address global issues, engaging particularly its corporate members in global citizenship. <http://www.weforum.org/>
- Inter-American Development Bank
<http://www.iadb.org/>